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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

April 28, 1992

Mr. Anthony Peck
Thomas J. Peck & Sons, Incorporated
76 South 600 East
Lehi, Utah 84043

Dear Mr. Peck:

Re: Reclamation Surety and Contract for Nephi Gypsum Mine, M/023/011, Juab County, Utah

Please find enclosed an updated reclamation estimate for the Nephi Gypsum site and Form MR-RC (Reclamation Contract). The new reclamation estimate has been updated to include current costs and has been escalated 5 years into the future. The estimate addresses the commitments made to reclamation discussed in the original 1988 Mining and Reclamation Plan.

I have filled in most of the applicable information on the Reclamation Contract, please fill in the missing information everywhere you see an X by the side of the page. The Reclamation Contract should be filled out and returned with the surety if possible.

The updated amount of surety that the Division is now requiring will be \$17,900. The Division will accept a Letter of Credit (LOC) as surety, as long as the language in the letter parallels that of the enclosed DOGM LOC form. The Division has copied First Security on this letter and the LOC form, to facilitate the generation of the surety.

Thank you for your assistance in renewing this surety. Please call me if you have any further questions.

Sincerely,

Holland Shepherd
Senior Reclamation Specialist

jb
Enclosure

cc: Sterling Orton, First Security Bank

Reclamation Estimate

Nephi Gypsum Quarry M/023/011

Prepared by
Utah Division of Oil, Gas and Mining
April 22, 1992

Reclamation Details

1. Total disturbance = 13 acres
 2. Total area to be reclaimed = 9 acres ³
 3. Quarry area not to be reclaimed = 5 acres
 4. Gypsum fines are to be respread, 1 ft. in depth, instead of topsoil for reclamation.
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| <u>Description</u> | <u>Amount/Acreage</u> | <u>Unit</u> | <u>Cost-\$</u> |
|----------------------------------|-----------------------|----------------------|----------------|
| Trash removal | 8 acre | 100 | 800 |
| Rip Pad/Yard Area | 6 acre | 415 | 2,490 |
| Rip Roads | 2 acre | 415 | 830 |
| Regrade Pad/Yard Area | 6 acre | 488 | 2,928 |
| Regrade Roads | 2 acre | 488 | 976 |
| Respread Topsoil/Fines | 6 acre | 500 | 3,000 |
| M-D-S-F Yard Area* | 6 acre | 402 | 2,412 |
| M-D-S-F Roads* | 2 acre | 402 | 804 |
| Mobilization | 1 sum | xxx | 1,000 |
| | | Subtotal | 15,240 |
| + 10% Contingency | | | 1,520 |
| + Escalation (1.27% for 5 years) | | | 1,090 |
| | | Total (1997 dollars) | \$17,850 |
| | | Rounded Total | \$17,900 |

*Mulch-Disc-Seed-Fertilize

M023011